

EXHIBIT 1

INTRODUCTION

Respondent Plaza Cleaning Service Company, L.P. is a New York domestic limited partnership, headquartered in the City of New York.

During the late contribution period prior to the March 5, 2002 primary election, Respondent made a \$10,000 contribution to the Governor Gray Davis Committee. By making this contribution of \$10,000, Respondent qualified as a “major donor committee” under the Political Reform Act (the “Act”),¹ and thereby became obligated to comply with specified campaign reporting provisions of the Act.

One of the obligations that Respondent incurred as a major donor committee was an obligation to file a late contribution report, disclosing any contributions that it made during the late contribution period prior to the March 2002 primary election, within 24 hours of making the contribution. Another obligation Respondent incurred was an obligation to file a semi-annual campaign statement, commonly known as a “major donor statement,” disclosing the contributions that it made during the period January 1, 2002 through June 30, 2002.

In this matter, Respondent failed to disclose the \$10,000 late contribution that it made to the Governor Gray Davis Committee in a properly filed late contribution report, thereby committing a violation of the Act. Respondent also violated the Act by failing to file a semi-annual campaign statement for the first half of 2002.

For the purposes of this stipulation, Respondent’s violations of the Act are stated as follows:

COUNT 1: Respondent Plaza Cleaning Service Company, L.P. failed to disclose a \$10,000 late contribution to the Governor Gray Davis Committee in a properly filed late contribution report, by the February 26, 2002 due date, in violation of section 84203, subdivision (a) of the Government Code.

COUNT 2: Respondent Plaza Cleaning Service Company, L.P. failed to file a semi-annual campaign statement, by July 31, 2002, for the reporting period January 1, 2002 through June 30, 2002, in violation of section 84200, subdivision (b) of the Government Code.

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission appear at California Code of Regulations, Title 2, sections 18109-18996. All regulatory references are to title 2 of the California Code of Regulations.

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in section 81002, subdivision (a), is to ensure that the contributions and expenditures affecting election campaigns are fully and truthfully disclosed to the public, so that voters may be better informed, and improper practices may be inhibited. To that end, the Act sets forth a comprehensive campaign reporting system designed to accomplish this purpose of disclosure.

Section 82013, subdivision (c) includes within the definition of “committee” any person or combination of persons who directly or indirectly makes contributions totaling ten thousand dollars (\$10,000) or more in a calendar year to, or at the behest of, candidates or committees. This type of committee is commonly referred to as a “major donor” committee.

Under section 84203, subdivision (a), when a committee makes or receives a late contribution, the committee must disclose the contribution in a late contribution report that must be filed within 24 hours of making or receiving the contribution. Section 82036 defines a “late contribution” as a contribution aggregating \$1,000 or more that is received before an election, but after the closing date of the last pre-election statement that is required to be filed. Under section 84200.8, subdivision (b), for an election not held in June or November of an even-numbered year, the late contribution period covers the last 16 days before the election.

Section 84200, subdivision (b) requires a major donor committee to file a semi-annual campaign statement for any reporting period in which the committee made campaign contributions. The first semi-annual campaign statement covers the reporting period January 1 to June 30, and must be filed by July 31. The second semi-annual campaign statement covers the reporting period July 1 to December 31, and must be filed by January 31 of the following year.

Section 84215, subdivision (a) requires all major donor committees supporting statewide elected officers to file the committee’s campaign statements with the Offices of the Secretary of State, the Registrar-Recorder of Los Angeles County, and the Registrar of Voters of the City and County of San Francisco.

SUMMARY OF THE FACTS

On February 25, 2002, Respondent Plaza Cleaning Service Company, L.P. made a \$10,000 campaign contribution to the Governor Gray Davis Committee. By making that contribution, Respondent became a person making contributions totaling ten thousand dollars (\$10,000) or more in a calendar year to a candidate or committee. Respondent thus qualified under section 82013, subdivision (c) of the Act as a major donor committee.

COUNT 1
Failure to File a Late Contribution Report

The \$10,000 contribution that Respondent Plaza Cleaning Service Company, L.P. made to the Governor Gray Davis Committee on February 25, 2002 was made during the late contribution reporting period prior to the March 5, 2002 primary election. The late contribution reporting period for the March 5, 2002 primary election was February 17, 2002 through March 4, 2002. Respondent, as a major donor committee that made a campaign contribution of \$1,000 or more during the late contribution reporting period, was required to disclose its \$10,000 contribution to the Governor Gray Davis Committee in a late contribution report within 24 hours of making the contribution. However, Respondent failed to file a late contribution report by February 26, 2002, disclosing the contribution.

By failing to file a late contribution report by February 26, 2002, disclosing a \$10,000 late contribution to the Governor Gray Davis Committee, Respondent committed a violation of section 84203, subdivision (a).

COUNT 2
Failure to Timely File a Semi-Annual Campaign Statement

As a major donor committee, Respondent Plaza Cleaning Service Company L.P. had a duty to file a semi-annual campaign statement by July 31, 2002, for the reporting period January 1, 2002 through June 30, 2002, disclosing its \$10,000 late contribution to the Governor Gray Davis Committee. Respondent failed to file that statement by the July 31, 2002 due date. By failing to file a semi-annual campaign statement by July 31, 2002, Respondent committed a violation of section 84200, subdivision (b).

Respondent subsequently filed the semi-annual campaign statement for the reporting period January 1, 2002 through June 30, 2002 in conjunction with entering into this stipulated settlement.

CONCLUSION

This matter consists of two counts, which carry a maximum possible administrative penalty of Ten Thousand Dollars (\$10,000).

Regarding Count 1, under the Enforcement Division's Streamlined Late Contribution Enforcement Program, the approved administrative penalty for failing to timely disclose a late contribution is 15 percent of the amount of the undisclosed contribution. However, as Respondent declined the opportunity to resolve this matter in an expeditious manner through the streamlined program, a penalty higher than the standard 15 percent penalty imposed under the program is justified. Therefore, a penalty approximating 25 percent of the amount not properly reported has been settled upon.

Regarding Count 2, the typical stipulated administrative penalty for the late filing of a semi-annual statement has historically ranged from \$1,000 to \$1,500 per statement. As the violation does not appear to be especially aggravated, an administrative penalty approximating that penalty range is appropriate.

The facts of this case therefore justify imposition of the agreed upon penalty of Four Thousand Dollars (\$4,000).